

Filed for intro on 02/04/98
HOUSE BILL 3326 By
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SENATE BILL 3292
By Rochelle

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 27,
Part 3, relative to insurance benefits for retired
employees of local education agencies.

BE IN ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE.

SECTION 1. Part 3 of Chapter 27, Title 8, Tennessee Code Annotated is
amended by adding a new section as follows:

SECTION ____

(a) The local education insurance committee is authorized to establish
a schedule of premium payments for retirees from local education agencies
participating in the group insurance plan established under this part. The
schedule shall be based upon the total monthly premiums for all participants and
the retiree's contribution shall be graduated to reflect the retiree's length of
service. For retirees with less than twenty (20) years of service, the retiree shall
pay seventy-five percent (75%) of the total premium under the local education
plan. For retirees with twenty (20) but less than thirty (30) years of service, the
retiree shall pay sixty-five percent (65%) of the total premium under the local
education plan. For retirees with thirty (30) or more years of service, the retiree

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shall pay fifty-five percent (55%) of the total premium under the local education plan.

(b) The local education insurance committee is also authorized to establish eligibility provisions for retirees and administrative requirements for the collection of retiree premiums.

(c) "Years of service," as used in this section, means only those years of service rendered by the retiree as a state employee, as such term is defined in Section 8-27-201 (f), or as a teacher, as such term is defined in Section 8-34-106 (46), and as applied by the committee's policy governing the continuation of group insurance coverage under this part after retirement.

SECTION 2. Section 8-27-306, Tennessee Code Annotated, is repealed.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect on July 1, 1998, the public welfare requiring it.